

Success Story

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SBA 504 Loan Helps Establish Carnett's Car Washes **As one of the Largest Car-Wash Firms in Georgia** *—14th Location opens in Cobb County this Summer—*

Bruce Arnett and his wife Dee used an SBA 504 Loan to start their first "Carnett's Car Washes" in 1987 in Lawrenceville, Georgia. At the time, they had no idea their first full-service unit on Pleasant Hill Road would form the foundation for 14 locations, and a ranking as the 20th largest car wash chain in the country.

Carnett's Car Wash currently has six company-owned and eight franchised locations and sells car wash supplies internationally through a division known as ACES--American Car Wash Equipment & Supply Company. In 2000, the company started "Genesis" to sell custom-made, modular car wash buildings to both company and non-company owned locations. These fully equipped units are currently being exported to Canada as well as other domestic locations.

"Back in 1988, we had about 35 employees," recalled Dee Arnett, Vice President and Director of Marketing. "Today we have approximately 120 employees in our corporate locations and another 120 employed in franchised stores."

A 504 loan, like the one used by the Arnetts, provides fixed-rate financing for a small business to acquire real estate, machinery or equipment for expansion or modernization. Typically, a 504 package includes a loan from a private-sector bank, a smaller loan from a Certified Development Company (CDC) backed by an SBA guarantee, and at least 10 percent equity from the borrower. The Arnetts used Business Development Corp., a CDC located in Marietta, to handle their 504 Loan. The maximum amount for a 504 loan was recently increased to \$4 million for a small business manufacturer.

"Our 504 loan was very beneficial to us," recalled Dee. "It helped us buy the land and building for the car wash building that also housed our first corporate office." In 2000, the Arnetts relocated their corporate office and warehouse to their present location off Indian Trail Road in Lilburn.

The company has a patent pending on its Genesis modular car cash building. It is what is known as a "roll over" car wash and is shipped with the equipment already installed inside the building on a tractor trailer after being custom built in the Atlanta area. A "roll over" car wash is a machine that moves over the vehicle while the vehicle stands still. Their company's modular car



wash system received a number of inquiries from international car wash operators earlier this year at a national car wash industry convention in San Antonio. (See www.genwash.com)

The Arnetts see a lot of growth for their franchising operation which they started in 1997 after people expressed an interest in owning a Carnett's Car Washes unit. The franchised units are full service, soft cloth tunnel washes. Machines do most of the basic cleaning of the vehicle, but employees provide the hand drying along with vacuuming, oil changes and other detail work.

The units, designed for both rural and urban markets, cost from \$1.5 million to about \$3 million, depending on the size and land requirements.

The company's newest, franchised car wash will open in Austell (Cobb County) this summer. Known as the "Mega-Plex" model, it employs about 40 people on staged shifts to handle full wash services, oil changes, express details and a gift shop. The company is marketing this model on a national basis.

Bruce Arnett, a native of Cape Cod, Massachusetts, is President and CEO of Carnett's Car Washes. A Marine Corps Vietnam veteran, Arnett was involved as an investor in the car wash business for 10 years before he and his wife established their own company.

Carnett's Car Washes is a family run business. Bruce Arnett Jr., joined the company right out of college and is president of its ACES equipment division. Another son, Brett, works with his brother in the equipment division and is an installation engineer. Son Brandon Arnett joined Carnett's in 1999 after eight years aboard an atomic submarine where he maintained electrical systems. Brandon is now Director of Operations for the Car Wash Division.

The Arnett's company participates each fall in a national fund raiser for the "Make a Wish" Foundation in cooperation with the International Car Wash Association. Their company sponsors a number of athletic teams at local schools in metro Atlanta, and contributes to charitable and community programs through its Helping Hands Program. (See details at www.carnetts.com)

For more information about the SBA's programs for small businesses, call the SBA Answer Desk at 1-800 U ASK SBA (TDD 704-344-6640), or visit the SBA's Web site at <http://www.sba.gov>.

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